

## Oppose the Provider Tax on Ambulatory Surgery Centers in the Governor Wolf's Proposed Budget

In his 2018-19 budget address, Pennsylvania Governor Tom Wolf proposed a new **PROVIDER TAX** on Pennsylvania ambulatory surgery centers. His proposal seeks a 2.81% tax on profitability (net patient revenue) to generate \$25M on an annual basis. The new **Provider Tax** would be detrimental to ambulatory surgery centers that provide a critical part of the quality and affordability of health care in Pennsylvania.

- The **PROVIDER TAX** will affect the state's ambulatory surgery centers, and the tens of thousands of patients they serve annually, by driving up health care costs and putting surgery centers at risk of closing. Surgery centers that remain open will likely cut back on the services they provide – as investment dollars needed for new equipment and advanced technologies would be redirected to the state.
- **Data suggests more than 25 percent of Pennsylvania's surgery centers will operate at a loss if the PROVIDER TAX is enacted.** Ambulatory surgery centers are businesses that already pay multiple taxes, such as income, property and sales and use tax. Surgery centers need positive income levels to operate effectively and improve their facilities and equipment. Closures associated with this new tax burden could cost many Pennsylvania residents their jobs. Ambulatory surgery centers employ hundreds of nurses, surgical technicians and other ancillary staff.
- The **PROVIDER TAX** will reduce patient access to high quality, cost-effective, community-based surgical care upon which thousands of patients now rely. Many orthopedic, gastroenterology, ophthalmology, otolaryngology, urology, and dental outpatient surgical procedures are commonly performed in ambulatory surgery centers.
- Ambulatory surgery centers are the high-quality, low cost option for outpatient surgery care within Pennsylvania's health care delivery system, **saving patients, insurers, employers and the state millions of dollars through significantly lower procedure costs, co-payments and deductibles.** Pennsylvania should be supporting ambulatory surgery centers, especially when their services cost about 50 percent less than hospitals. Annually, ambulatory surgery centers save Medicare \$2 billion. Pennsylvania patients saved more than \$17 million in out-of-pocket expenses for colonoscopies alone in 2014.
- If the **PROVIDER TAX** is enacted, health care costs will rise; patients will pay the price through increased out-of-pocket costs and decreased access to high-quality, cost-effective, convenient community-based surgical care.
- Very few states impose a **PROVIDER TAX** on surgery centers and the trend is to repeal this tax. Only 7 states have such a tax, one of which is phasing the tax out by the end of 2019. Two states recently **repealed** their tax.